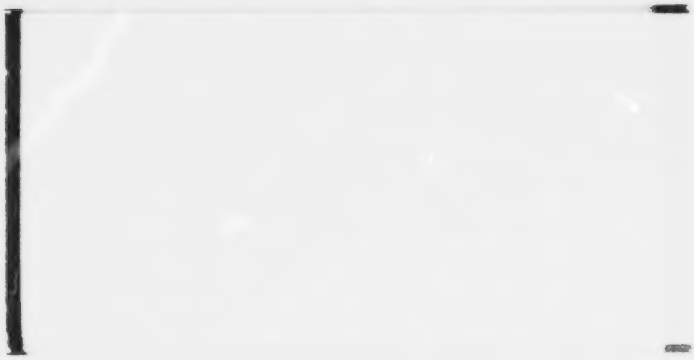

THE SOCIAL PLANNING and RESEARCH COUNCIL of Hamilton and District

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Second Interim Report

of the

Day Care Advisory Committee

of the

Social Planning & Research Council

June, 1985

Second Interim Report

of the

Day Care Advisory Committee

of the

Social Planning & Research Council

Issues: Day Care Standards and Eligibility for Subsidy

Presented to the

Social Services Committee

Regional Municipality of Hamilton-Wentworth

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OF HAMILTON AND DISTRICT, 1985

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INTRODUCTION

The Day Care Advisory Committee (DCAC) of the Social Planning and Research Council was developed in response to a request from the Social Services Committee of the Regional Municipality of Hamilton-Wentworth to review per diems, new standards for day care centres and their impact on the private sector, and the need for more services, particilarly those in other languages.

The DCAC presented its First Interim Report to the Social Services Committee in March , 1985. It dealt with per diems, and provided information on a "benchmark" approach to per diems which would address many of the Region's concerns.

This Second Interim Report explores new day care standards and their implications for the private sector. In addition, it examines eligibility for subsidy as a result of a request for such examination which the DCAC received from the Social Services Committee in May, 1985.

SUMMARY OF RECOMMENDATIONS

The Day Care Advisory Committee of the Social Planning and Research Council respectfully recommends:

1. THAT THE REGIONAL SOCIAL SERVICES COMMITTEE ADOPT THE FLEXIBLE "BENCHMARK" APPROACH TO PER DIEMS OUTLINED IN OUR FIRST INTERIM REPORT.

2. THAT THE REGIONAL MUNICIPALITY OF HAMILTON-WENTWORTH APPROACH THE PROVINCIAL GOVERNMENT AND ADVOCATE FOR EXPANDED FUNDING OF DAY CARE IN OUR REGION.

3. THAT THE REGIONAL MUNICIPALITY OF HAMILTON-WENTWORTH AND THE SOCIAL PLANNING AND RESEARCH COUNCIL REQUEST THE PROVINCIAL GOVERNMENT TO PROVIDE THE RESOURCES NECESSARY FOR THE IMPROVED MONITORING OF STANDARDS IN LICENSED DAY CARE CENTRES.

4. THAT THE REGIONAL MUNICIPALITY OF HAMILTON-WENTWORTH ENCOURAGE OPERATORS TO PROVIDE FOR STAFFING ADEQUATE FOR PROFESSIONAL DEVELOPMENT, ADMINISTRATION AND PROGRAMME PLANNING.

5. THAT THE REGIONAL MUNICIPALITY OF HAMILTON-WENTWORTH AND THE MINISTRY OF COMMUNITY AND SOCIAL SERVICES DEVELOP AN APPROPRIATE EDUCATIONAL FORMAT FOR PRESENTATION OF BUDGETING SKILLS TO OPERATORS OF DAY CARE CENTRES.

6. a) THAT THE SOCIAL PLANNING AND RESEARCH COUNCIL AND THE REGIONAL MUNCIPALITY OF HAMILTON-WENTWORTH ASK THE HAMILTON CHAPTER OF THE ASSOCIATION FOR EARLY CHILDHOOD EDUCATION, ONTARIO, TO PROMOTE THE NEED FOR CONTINUING PROFESSIONAL DEVELOPMENT (ESPECIALLY FOR MANAGEMENT EDUCATION) FOR THE CENTRES AND STAFF WITHIN THIS REGION.

   b) THAT THE SOCIAL PLANNING AND RESEARCH COUNCIL AND THE REGIONAL MUNICIPALITY OF HAMILTON-WENTWORTH ASK THE HAMILTON CHAPTER OF THE ASSOCIATION FOR EARLY CHILDHOOD EDUCATION, ONTARIO, TO ORGANIZE A MEETING WITH THE REGION, MINISTRY OF COMMUNITY AND SOCIAL SERVICES AND THE EARLY CHILDHOOD EDUCATION DEPARTMENT OF MOHAWK COLLEGE FOR THE PURPOSES OF ANALYZING MANAGEMENT TASKS SPECIFIC TO EARLY CHILDHOOD EDUCATION, AND FOR PROVIDING APPROPRIATE EDUCATIONAL UPGRADING.

7. CURRENT PRACTICE IN DETERMINING EXEMPTED INCOME FOR FORM 7 BE CHANGED TO PERMIT 25% OF NET MONTHLY EMPLOYMENT INCOME TO BE EXEMPTED UP TO A MAXIMUM OF $350 FOR ALL APPLICANTS TO THE SUBSIDY DAY CARE PROGRAMME.

8. a) ADDITIONAL DAY CARE SPACES AVAILABLE TO THE REGION BE USED BOTH TO MOVE TOWARD THE BENCHMARK FOR PER DIEMS AND TO RAISE THE SUBSIDY ELIGIBILITY CEILINGS (CONSISTENT WITH RECOMMENDATION 7)

   b) THE REGION EITHER INSTITUTE A CASELOAD CEILING OR EMPLOY ONGOING MONITORING TO ASSESS THE FINANCIAL IMPACT OF RECOMMENDATION 8a), AND INSTITUTE WAITING LISTS ON AN AS-NEEDED BASIS.

9. THE SOCIAL SERVICES DEPARTMENT DEVELOP CRITERIA FOR PRIORIZING WAITING LISTS, SUCH CRITERIA TO INCLUDE:

   i) REASON FOR SEEKING DAY CARE (E.G. THE NEED FOR THERAPEUTIC INTERVENTION, A SINGLE PARENT WORKING, ET CETERA);
   ii) LEVEL OF FINANCIAL NEED.

   AND THAT THESE CRITERIA BE PRESENTED TO THE SOCIAL SERVICES COMMITTEE FOR THEIR CONSIDERATION.

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DAY CARE STANDARDS

All day care centres and private home day care agencies licensed by the Province of Ontario must conform to the standards outlined in the Day Nurseries Act. A Day Nurseries Manual is available to operators to assist with interpretation of the Act.

In 1983, after several years examination, existing standards were revised, and since 1984 all licensees seeking renewal of their licenses have been required to meet these new standards. Generally, it has been acknowledged in the day care community that these new standards represent a "tightening" or improvement over the earlier standards. Considerable concern has been expressed by various constituencies in the community that these new standards will have a wide impact on the delivery, the quality and the cost of service.

The standards cover a wide variety of the components of day care, including:

- physical features of a day care centre
- equipment
- staffing
- staff/child ratios
- administrative features and processes

The Day Care Advisory Committee of the Social Planning and Research Council (DCAC) has been requested by the Regional Social Services Committee to assess the impact of these standards on the private sector.

DCAC has chosen to interpret the private sector as representative of both the for-profit and not-for-profit sectors and has confined its' work to the group care centre rather than the Private Home Day Care agency.

Reviewing Standards and Their Application in Hamilton-Wentworth

While standards go a long way towards ensuring good quality day care, they cannot, by themselves, ensure that this occurs. In other words, standards are a necessary, but not sufficient, condition for good quality care to result. Clearly, other factors enter into the equation which results in good quality care.

For example, some components which contribute to good quality care, such as staff morale, staff continuity, parent participation, et cetera, may be effected by factors outside the purview of standards, such as salaries, opportunities for ongoing professional development, budgetary constraints, parental motivation, et cetera. However, having noted that standards themselves cannot ensure good quality, the DCAC strongly endorses the need for standards as a minimum set of benchmarks from which to work.

The DCAC also notes that programming is a critical factor in ensuring good quality care. Currently, programming is described in the standards from an activity perspective: i.e. a programme should meet certain criteria (e.g. a criterion for balance of group and individual

activities, field trips, et cetera). To a large extent, the content of programmes, and their objectives, lack clear statements. Programming for day nurseries cannot, in this sense, be equated to curriculum in the formal educational system. To this extent, existing standards define fairly minimal programme standards, leaving a fair portion of the "quality" still open to individual variation from centre to centre.

In sum, then, the DCAC endorses high standards and within these standards, a priority for programme standards which are not yet fully articulated in the existing Act.

When attempting to review the situation in Hamilton-Wentworth to determine what impact the new standards have had on the private sector, the Committee immediately encountered two major obstacles: first, variablility in interpretation of existing standards and, second, the difficulty in determining what the "real" impact has been.

Variability in the interpretation of standards poses some unique problems. For example, in the area of staff/child ratios, there is reference in the Act to "observed ratios" at sleep time [55(6)], which is interpreted variously by local operators (according to members of the DCAC) to mean any staff person (including cooks, maintenance persons, etc.) or a combination of different staff people or programme staff alone. Depending on how an operator interprets "observed ratio" will clearly have an impact on the salaries paid in

relation to a daily period where the "observed ratio" standards hold. Some operators may interpret this to financial advantage, and others to financial disadvantage. While this is only one example, it clearly points out that the impact of standards may vary widely according to interpretation.

Secondly, there is difficulty in determining what the real impact has been of the new standards. Since licenses are contingent on meeting the legislative guidelines and standards, it is necessary to assume that any centre licensed under the new regulations meets those regulations and that difficulties in meeting these new regulations have been resolved to the satisfaction of the Ministry and the operator. To that extent, impacts would have to be assessed as minimal.

However, it has come to the attention of members of the DCAC that, in instances, standards are, in fact, not being met. Whether this is, in fact, the result of variances in the interpretation of standards or the result of impacts which cannot be resolved is unknown.

When this is reported to the Ministry, every attempt is made to follow up on the complaint to ensure that the particular violation is rectified. Limited resources, however, hamper the ability of Ministry staff to undertake the systematic monitoring which results in the assured maintenance of standards at all times.

Overarching these two difficulties is the problem DCAC confronted in determining to what degree, if any, standards are problematic. Members of our committee have expressed strong reservations about the feasibility of our committee undertaking such an evaluation. They have noted that operators are unlikely to share information about problems in meeting the standards since, theoretically, the Ministry's licensing process has guaranteed that standards are being met. Acknowledging that standards are problematic - and in some cases not met - puts licensed centres at risk. In the absence of concrete evidence, in the presence of the Ministry's licensing procedure, and with the acknowledgement of variation from Centre to Centre, it seems more appropriate to assess the impact of the new standards at a broad structural level, with a view to potential problems.

The Potential Impact of New Standards

In searching for an appropriate way to address the potential impact of the new standards, DCAC encountered a succinct assessment of this impact in a document prepared by the Ontario Municipal Social Service Association (OMSSA). After careful review, DCAC felt this statement to be sufficiently detailed and comprehensive, and has decided to use it as the basis for our report to the Social Services Committee of the Regional Municipality of Hamilton-Wentworth. The summary of the findings from the OMSSA document is reproduced as Table 1.

TABLE 1

Some Potential Implications of Revised Standards

SUBJECT		PROVISION	POTENTIAL IMPLICATIONS: GROUP/CENTRE CARE	POTENTIAL IMPLICATIONS: PRIVATE HOME CARE
Organization and Management	3	hire minimum of one home visitor		- additional manpower cost
Building and Accomodation	8	specifications for separate spaces for groups of children and function	- compliance constrained by limited space and existing structure - contractual difficulties where operator is tenant	
	9	window glass area minimum of 10% of floor area	- cost of renovations	
	13	home visitor inspections and records		- additional staff time/cost
Equipment and Furnishings	17	requirements; written policies, practices, procedures	(previously similar)	- additional staff time/cost
Playground	18	minimum 5.6 square meters of outdoor play space per child	- depending on available space and nature of previous enrollment, will: - be maintaining excess space (cost factor) - have insufficient space and compliance constrained by physical limitations and cost	
Inspection	25	record of inspections	- additional staff time/cost	- additional staff time/cost
Insurance	26	liability insurance	(generally in existence)	- additional cost - conflict with existing home insurance
Fire Safety and Emergency Info	27-29	extensive written procedures, notices, records	- additional staff time/cost - lack expertise in developing re fire/ emergency procedures	- additional staff time/cost - lack expertise in developing re fire/ emergency procedures

TABLE 1 cont'd

SUBJECT		PROVISION	POTENTIAL IMPLICATIONS	
			GROUP/CENTRE CARE	PRIVATE HOME CARE
Health and Medical Supervision	30-38	formal procedures and practices; written policies and records	- additional staff time/cost - lack expertise in developing health/ medical policy/ procedure	- additional staff time/cost - lack expertise in developing health/ medical policy/ procedure
Nutrition	39-40	nutrition requirements; written menus and instructions	(previously similar)	- additional staff time/cost - lack of nutritional qualifications at some agencies or providers
Behaviour Management	44-47	written policies and procedures	- additional staff time/cost	- additional staff time/cost
Enrollment and Records	48	info requirements	(previously similar)	- additional staff time/cost
Registers and Agreements	50-51	require registers and, in particular, agreements between operators and providers		- additional staff time/cost - lack expertise on contractual agreements
Program	52-54	programming requirements	(previously similar)	- additional staff time/cost
		written program statements/operating plan, daily program schemes, regular reviews	- additional staff time/cost - may require technical assistance for meaningful operational planning	- additional staff time/cost - may require technical assistance for meaningful operational planning
Staff Numbers and Group Size	55-56	some revisions to requirements	- depending on enrollment/ staff complement, particularly some smaller centres may require additional manpower (cost factor)	- may require changes in placements of handicapped children, resulting in vacancies for some providers (revenue factor)
Staff Qualifications	58-61	requirements for staff credentials or equivalency	- addition of qualified resource teacher for handicapped (manpower cost)	- qualifies home visitors to be approved (manpower) cost)
Staffing Training and Development	63	written policies and procedures	- additional time/cost - lack expertise/time to implement in-house	- additional time/cost - lack expertise/time to implement in-house

TABLE 1 cont'd

SUBJECT		PROVISION	POTENTIAL IMPLICATIONS: GROUP/CENTRE CARE	POTENTIAL IMPLICATIONS: PRIVATE HOME CARE
Financial Records and Returns	64-66	requirements	(previously similar)	- added time/cost
Licenses and Applications	75	prerequisite	(previously similar)	- cost of licences - staff time for inspections

Source: Municipal Role in Subsidized Day Care: Some Current Issues; OMSSA

Implications of OMSSA Analysis of Impacts

The two key impact areas of the new standards (as assessed by OMSSA) are finances and staffing (lack of skill/professional development). These impacts have clear and significant implications for the provision of care, whether in the private or public sectors. Insofar as our subsidized programme operates (with the exception of the Red Hill programme) through purchase of service from the private (both profit and non-profit) sector, any impact on a centre providing service to the Region will have an impact on the subsidy programme as well.

In particular, any standard which has the potential to increase the cost of a programme being delivered has the potential to do one of three things: it may increase the cost per child per day of that programme resulting in an increase in the per diem requested by Centres of the Region; it may increase the cost per child per day of that programme resulting in a budget cut elsewhere at the centre to compensate; or, finally, it may result in a centre opting in practice not to meet the new standard (although, as argued above, this is virtually impossible to document).

If the increase in costs is passed on to the Region in the form of an increased per diem request, the implications are fairly broad. With the current Provincial ceiling on budget increases, there is no guarantee that centres can recover the monies they must have to meet increased costs. The ceiling acts to limit expansion, which, in the context of global budgeting, means either per diem increases will be

artificially controlled, or available spaces will be limited/cut back to meet per diem requests. In the first case, centres will not have the operational funds they require; in the second case, we see the prospect of a waiting list. Neither case is particularly palatable.

Where centres are unable to receive their requested per diems, the prospect of budget cuts can mean cuts in areas where quality of service is affected, either through programme cuts, staff salary cuts or cuts in other areas which impact on ability to reach and maintain standards required under Provincial licensing.

Where the funding requests of centres occasioned by the new standards are granted by the Region by paying requested increases in per diems, the possibility of waiting lists emerges (if one, assumes a ceiling on Provincial monies, as the costs of a unit of care increases, the number of units which can be provided declines). Not only is the concept of a waiting list unpalatable, paying increased per diems - to meet real costs - results in higher parent fees.

Under the Canada Assistance Plan, fee paying parents at centres must pay <u>at least</u> the same as fully subsidized spaces cost the municipality. From the perspective of centres, this can serve to drive out fee-paying parents as the costs of day care increase. Particularly in centres with lower proportions of subsidized to fee-paying users of service, this represents a threat to financial/business viability. And if per diems are to remain low with matching fees to non-subsidized parents, there are threats to

programme quality.

Clearly, one of the issues raised by this analysis is the eligibility requirements of those seeking assistance with the cost of day care: limited eligibility means more parents must pay full fees. In the following section, DCAC will review these requirements and, where appropriate, make recommendations.

In the final analysis, the financial implications of the new standards can be summed up by repeating the argument made in DCAC's Interim Report on Per Diems: provincial funding of day care programmes is inadequate. To require upgraded standards is a laudable goal. To fail to resource day care programmes, however, may actively undermine the objectives of that upgrading.

Implications of the new standards with regard to staff skills (or rather, lack of skills and subsequent need for professional development activities) suggests the need for additional training.

DCAC feels that, in some cases the need for additional training (e.g. programme development, management skills) may be overstated by OMSSA. Early childhood education courses will vary, to some degreee, in their content and, of course, the skills of staff will vary tremendously from individual to individual. Ensuring, that staff will have the training demanded by the new standards can be accomplished in a variety of ways, each of which may have associated strengths and weaknesses.

At the front line level, schools of Early Childhood Education should continue to ensure that programmes offered to students have the following minimal objectives:

a) full familiarization of students with the Act and standards;

b) training sufficient to ensure that graduates (at the front line) are competent in all programme areas contained in the standards;

c) training which will ensure that the administrative functions of front line staff can be carried out effectively.

Further, as staff move beyond a front line function, upgrading mechanisms should be made available which focus on managerial and administrative functions. This training can be provided through a variety of sources. It would make sense, e.g. for more sophisicated management courses related to day care to be developed through the schools of Early Childhood Education, and the Association for Early Childhood Education (AECEO) should be encouraged to provide seminars/workshops for the same purpose. The Ministry of Community and Social Services should be prepared to provide seminars/workshops on the more complex implications of the Act and the licensing process, and the Regional Municipality could provide a similar resource with reference to budgetting.

Again, the issue of resourcing is important in this regard. Operators need some assurance that their costs (due to staff absences) can be covered. Traditionally, professional development opportunities in Early Childhood Education have been limited. Centres have rarely

seen fit to provide in their budgets sufficient funds for such initiatives and, in the experience of DCAC, the development of individualized professional development plans is a rare circumstance indeed. Operators should be encouraged to budget for the additional staff necessary to permit adequate coverage during staff absences due to professional development and should also be encouraged to assist their staff in developing personal professional development plans.

There is little other than "moral suasion" available to convince the private sector that professional development is necessary or even desirable. Given that day care work is low-paid and ghettoized, professional development, even in the most "progressive" of centres, has been a low priority. For this reason, the Ministry has a key role to play in encouraging professional development.

It is also important to note that the added time now required by the Act to fulfill the standards for administrative processes often militates against effective programme planning, and has resulted in many staff using "personal" time to carry out either administrative functions or programme planning. While administrative processes may be necessary and effective tools for "quality control", carrrying out these tasks may place an inordinate demand on staff. For example, where a supervisor is counted as a "programme staff", required ratios may necessitate that she/he be engaged in front line work the entire day. Where this happens, her or his administrative tasks may have to be undertaken during lunch (perhaps the only extended break of the

day). Operators should, therefore, be encouraged to budget for staffing levels which permit all staff to carry out the new functions required under the new directives of the Act.

RECOMMENDATIONS

On the basis of the above discussion, the Day Care Advisory Committee of the Social Planning and Research Council respectfully recommends:

1. THAT THE REGIONAL SOCIAL SERVICES COMMITTEE ADOPT THE FLEXIBLE "BENCHMARK" APPROACH TO PER DIEMS OUTLINED IN OUR FIRST INTERIM REPORT.

This approach will allow Centres who so choose to accurately reflect increased costs occasioned by the new standards in their per diem requests. Using a "phase in" process will minimize the impact on fee-paying parents.

2. THAT THE REGIONAL MUNICIPALITY OF HAMILTON-WENTWORTH APPROACH THE PROVINCIAL GOVERNMENT AND ADVOCATE FOR EXPANDED FUNDING OF DAY CARE IN OUR REGION.

3. THAT THE REGIONAL MUNICIPALITY OF HAMILTON-WENTWORTH AND THE SOCIAL PLANNING AND RESEARCH COUNCIL REQUEST THE PROVINCIAL GOVERNMENT TO PROVIDE THE RESOURCES NECESSARY FOR IMPROVED MONITORING OF STANDARDS IN LICENSED DAY CARE CENTRES.

4. THAT THE REGIONAL MUNICIPALITY OF HAMILTON-WENTWORTH ENCOURAGE OPERATORS TO PROVIDE FOR STAFFING ADEQUATE FOR PROFESSIONAL DEVELOPMENT, ADMINISTRATION AND PROGRAMME PLANNING.

5. THAT THE REGIONAL MUNICIPALITY OF HAMILTON-WENTWORTH AND THE MINISTRY OF COMMUNITY AND SOCIAL SERVICES DEVELOP AN APPROPRIATE EDUCATIONAL FORMAT FOR PRESENTATION OF BUDGETING SKILLS TO OPERATORS OF DAY CARE CENTRES.

6. a) THAT THE SOCIAL PLANNING AND RESEARCH COUNCIL AND THE REGIONAL MUNICIPALITY OF HAMILTON-WENTWORTH ASK THE HAMILTON CHAPTER OF THE ASSOCIATION FOR EARLY CHILDHOOD EDUCATION, ONTARIO, TO PROMOTE THE NEED FOR CONTINUING PROFESSIONAL DEVELOPMENT (ESPECIALLY FOR MANAGEMENT EDUCATION) FOR THE CENTRES AND STAFF WITHIN THIS REGION.

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ELIGIBILITY

Determination of Eligibility for Subsidy Programme

Eligibility for subsidy in the Regional Day Care programme helps shape many features of the programme: caseload, the proportion of fee paying to subsidized users in centres, et cetera. To a large degree, eligibility is shaped by Provincial regulations and standards but municipalities have had, and continue to have flexibility in interpretation broad enough to make their programmes either accessible or excessively restrictive.

The determination of eligibility for receiving subsidy in the Regional Day Care programme is achieved through a determination of available income governed by the Day Nurseries' Act. The Province provides guidelines to municipalities for the use of Form 7 (see Appendix 1 for a sample Form 7), in some cases developing standards which must be applied to certain budget line items, in other cases setting ceilings above which actuals cannot be applied and finally, in some cases permitting municipal discretion in monies allowed within prescribed limits.

It is only in these discretionary areas that a municipality can act to "tighten up" or "loosen" eligibility for users of day care. There are four such discretionary line items in determination of allowable expenditure prior to calculation of available income: debt payments, travel and transportation, "other" expenditures, and exempted income.

Since the calculation of available income depends, basically, on subtracting expenses from revenue, more generous standards in the discretionary categories can have a direct impact on the final available income figure which is developed, making more or fewer families eligible for full or partial subsidy. (More available income is inversely related to eligibility).

The DCAC has carefully reviewed the Region's current practice in these four discretionary categories and have found all but one of them to be both reasonable and flexible. The singular exception to this is the Region's treatment of "exempted income".

Exempted Income

Form 7 allows, after the calculation of all allowable expenditures, a certain proportion of net employment income to be added to expenditures prior to subtracting these expenditures from revenues to arrive at "available income". The Act permits a municipality to exempt 25% of net employment income in any, and all, applications for subsidy. However, a municipality may opt for any other exemption formula which does not exceed 25%.

Hamilton-Wentworth currently uses the following exemption formula:

	Monthly Net Employment Income	Allowable Exemption
up to	$900	25%
	$901 - $1,000	15%
	$1,001 - $1,100	10%
	$1,101 - $1,200	5%
	$1,201 and over	nil

Theoretically, this formula means that a family with a yearly net income of $14,442, or an estimated gross income of $18,700, may not be eligible for day care subsidy depending on actual expenses. Given that average family income in our Region is about $26,500, DCAC judges the current exempted income formula to be far too restrictive.

This judgement is reinforced when our current formula is compared to that of other municipalities. Table 2 (prepared by Regional staff) indicates that of the 11 municipalities listed, only two (London and Waterloo) have more restrictive formulae. This can be viewed graphically in Figure 1 (prepared by Regional Staff). Using a single parent with one child as an example, one can see again that only London and Waterloo would have fewer families eligible for subsidy. Fully eight other municipalities would allow more families to be eligible. This pattern repeats itself across all family types.

Table 2

Comparison of Exemption on Net Income Among 11 Different Municipalities

Hamilton-Wentworth:

900	-		-	25%
901	-	1000	-	15%
1001	-	1100	-	10%
1101	-	1200	-	5%
1201	-	over	-	Nil

Brant:

0	-	1549.99	-	25% to max. of $250
1550	-	1599.99	-	15% but use $236
1600	-	1649.99	-	12.5% but use $203
1650	-	1699.99	-	10% but use $167.50
1700	-	1749.99	-	7.5% but use $129
1750	-	over	-	5% but use $ 88

London:

0	-	500	-	25%
501	-	600	-	20%
601	-	700	-	15%
701	-	800	-	10%
801	-	900	-	5%
901	-	over	-	Nil

Halton:

25% for everyone to maximum $500

Niagara:

0	-	625	-	25%
626	-	833.33	-	20%
833.34	-	1041.67	-	15%
1041.68	-	1250.00	-	10%
1250.00	-	1458.33	-	5%
1485.34	-	over	-	Nil

(Figures based on annual income converted to monthly)

Ottawa:

25% for everyone to maximum $200

Peel:

25% to maximum $250 for families with debts
25% to maximum $300 for S/P families with no debts

cont'd.../20

Table 2 cont'd

Thunder Bay:

0	-	900	-	25%
901	-	1000	-	20%
1000	-	over	-	15% no maximum

Toronto:

25% for everyone - no maximum

Waterloo:

0	-	700	-	25%
701	-	800	-	20%
801	-	900	-	15%
901	-	1000	-	10%
1001	-	1100	-	5%
1101	-	over	-	Nil

Windsor:

15% for everyone - no maximum

one parent
one child

DAY CARE ELIGIBILITY COMPARISONS

Using minimum and maximum expense limits

partial subsidy ⊠

full subsidy ▨

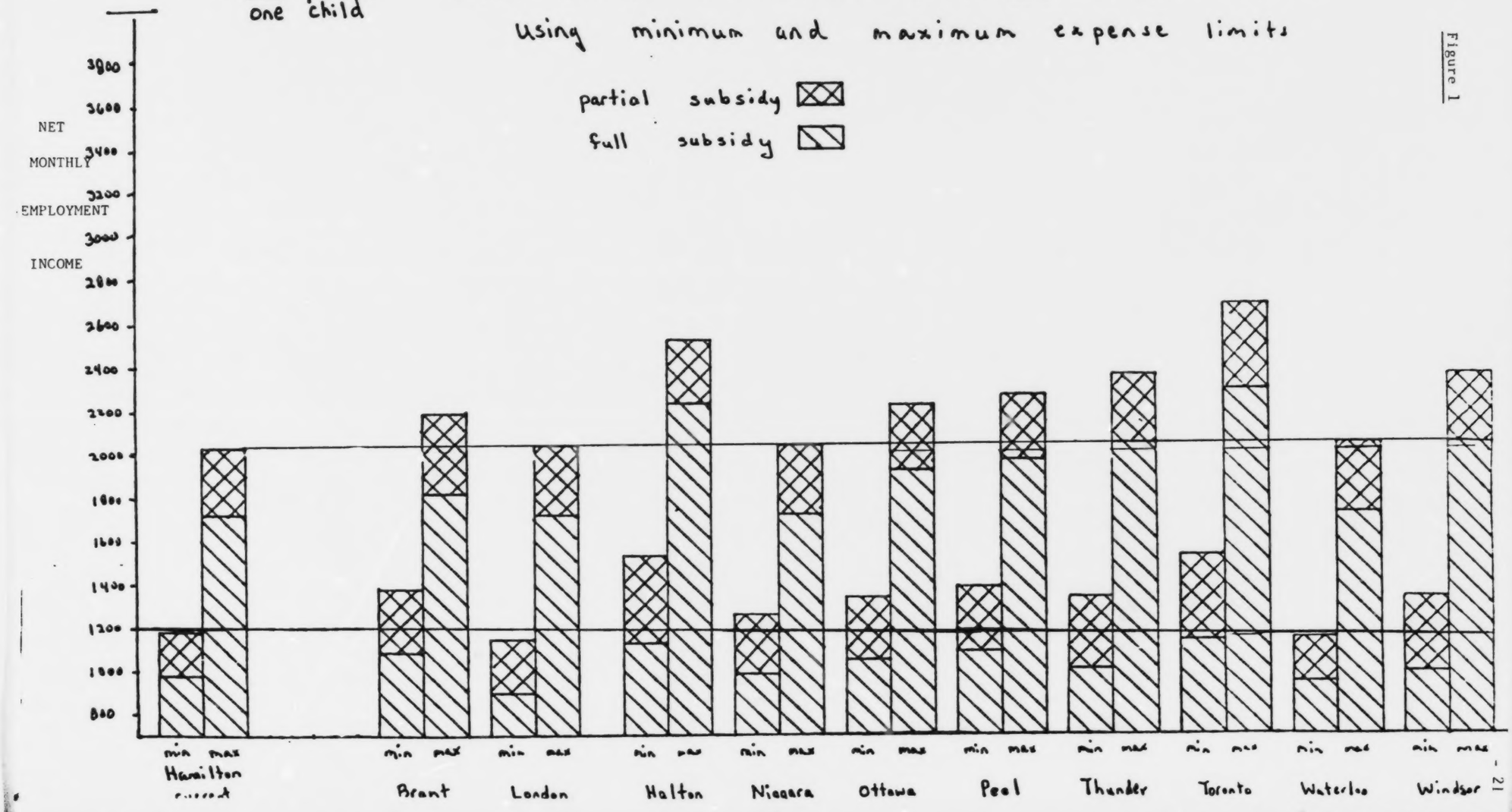

Figure 1

The Relationship Between Eligibility and Per Diems

In its first Interim Report to the Regional Social Services Committee, the DCAC outlined a benchmark approach to per diems which would permit centres with a contract with the Region to budget towards ceilings in budget line items, permitting, for the first time, real flexibility. In suggesting a benchmark approach, DCAC pointed out that any increase in per diems paid to centres will have a direct impact on fee-paying parents since fees must, at least, be equal to per diems due to CAP restrictions. The DCAC, as well as the Regional Social Services Committee, are concerned about this impact on fee-paying parents. However, if eligibility for subsidy ceilings were raised, fee-paying parents who can currently only marginally afford day care would become eligible for partial subsidy, and others currently on partial subsidy would see their subsidies increase.

In short, increasing eligibility for subsidy directly negates the most unfortunate consequence of raising per diems: it makes more fee-paying parents eligible for assistance.

Increased Eligibility

After careful deliberation, the DCAC respectfully recommends that:

7. CURRENT PRACTICE IN DETERMINING EXEMPTED INCOME FOR FORM 7 BE CHANGED TO PERMIT 25% OF NET MONTHLY EMPLOYMENT INCOME TO BE EXEMPTED UP TO A MAXIMUM OF $350 FOR ALL APPLICANTS TO THE SUBSIDY DAY CARE PROGRAMME.

The DCAC spent some time discussing what might be an appropriate change in eligibility. We determined that 25% across the board provides an unfair advantage to upper income people in light of

current funding practice from senior levels of government. Setting an upper limit of $350 provides a cut-off point beyond which further advantage does not accrue. Further, $350 roughly approximates the cost of day care for one child for one month.

Looked at from another perspective, the $350 maximum represents a net monthly employment income of $1,400, or, on a yearly basis, $16,800 (this represents an approximate yearly gross income of $21,000 assuming tax credits, et cetera). This income level is much closer to average family income in our area than the cut-off point in exempted income formula used currently. Those with employment income beyond this $1,400 per month will still be eligible to apply $350 against their available income in determining eligibility, making some eligible for partial subsidy.

The Relative Priority of Per Diem Improvements and Eligibility Increases

The Social Services Committee has already demonstrated its keen interest in using the benchmark approach to determining per diems. It made this decision with the knowledge that 400 additional day care spaces had been allocated to our region to be used over the next 2 years, and in the hope that some of these spaces could be transformed into dollars to permit the phase-in of the benchmark approach.

Subsequently, the Committee asked for a review of eligibility, raising a key issue. Since increasing per diems and increasing eligibility both consume additional dollars, and there are currently

limited dollars, what is the relative priority of increasing per diems or increasing eligibility?

The DCAC has reviewed this question carefully, and has considered 4 options:

a) increasing per diems only;

b) increasing eligibility only;

c) increasing per diems and increasing eligibility, but placing a ceiling on the caseload, as a means to achieving financial control;

d) increasing per diems and increasing eligibility with a review of financial impact at specified caseload levels with reports to the Social Services Committee.

In reviewing these options, DCAC has considered the monies which might be available due to the new 400 spaces. It is our understanding that, if the Social Services Committee were to concur with staff recommendations to date, a surplus of $191,300 would still remain in the new space allocation (See Table 3 for this calculation). This $191,300 in "uncommitted" monies permits some flexibility. It could be applied to further benchmark movement, or increased eligibility.

If applied to the benchmark alone, the problem of increased fees for fee-paying parents would continue. If applied to increased eligibility alone, the movement towards benchmark in the second year would be significantly cut back.

Table 3

Staff Recommendation on Use of 400 New Spaces (1985 and 1986)

Purchase of New Spaces (85/86)		
90 in 1985:	331,500	
160 in 1986:	681,200	
Total	1,012,700	
(Regional Share)		(202,540)
1985 Movement towards Benchmark	262,000	
(Regional Share)		(52,400)
Subsidy Shortfall (100% Region)	134,000	
Total Staff Recommendations	1,408,700	
(Regional Share)		(254,940)
Available Monies from 400 New Spaces:		
400 x $4,000	1,600,000	
(Regional Share)		(320,000)
Balance (Available Monies - Staff Recommendations)	1,600,000 -1,408,700 191,300	

However, it would be possible to begin and maintain movement towards benchmark while also increasing eligibility through either establishment of a ceiling on caseload or an ongoing monitoring of caseload which continuously assesses the impact on caseload and finances of increased eligibility.

For these reasons, DCAC respectfully advises against options a) and b) (moving towards benchmark OR only increasing eligibility). Instead, DCAC respectfully recommends the adoption of either option c) or d): a mix of movement towards benchmark and increasing eligibility, combined with a pre-established ceiling on caseload or an ongoing monitoring of caseload with regular reports to the Social Services Committee.

Both these options, it should be noted, may result in a waiting list. DCAC acknowledges this problem, but see it as a natural consequence of underfunding from senior levels of government. If day care is to be funded through per diems at an adequate level, and if those who really require assistance are to be eligible, waiting lists may have to be a consequence. To date, the lack of waiting lists for group care in our subsidized programme has often been pointed to as an indication that our programme has not been in trouble. However, in light of DCAC's work, it is clear that lack of "crisis" has, in reality, reflected inadequate per diems, and severely restricted eligibility. While perhaps not palatable, in the opinion of DCAC, waiting lists are a preferable option to continued inadequate per diems and restricted eligibility to those who require assistance.

If the Social Services Committee is prepared to accept a mix of both movement towards per diem benchmarks and increased eligibility for subsidy, it is important that some control be exerted in order to minimize budget overruns. This can be accomplished in two ways: by establishing a caseload ceiling with a monthly report to the Committee or through ongoing monitoring with monthly reports to the Social Services Committee.

The first option (establishing a ceiling for caseload) may present particular problems. Because it is difficult to project what the impact of increased eligibility will be (for example, the proportion of new partial subsidies to new full subsidies), a caseload ceiling does not necessarily equate to a particular financial ceiling. Only through a continued monitoring can ongoing financial impact be assessed, and it is important the underspending (which results in underservicing) not occur. At any time, then, Committee and Council can institute a waiting list where financial constraints indicate this is necessary. It is the assessment of the DCAC that this second implementation option (ongoing monitoring) will be more effective.

On the basis of the foregoing discussion, the DCAC respectfully recommends that:

8.a) ADDITIONAL DAY CARE SPACES AVAILABLE TO THE REGION BE USED BOTH TO MOVE TOWARD THE BENCHMARK FOR PER DIEMS AND TO RAISE THE SUBSIDY ELIGIBILITY CEILINGS (CONSISTENT WITH RECOMMENDATION 7)

and

b)THE REGION EITHER INSTITUTE A CASELOAD CEILING OR EMPLOY ONGOING MONITORING TO ASSESS FINANCIAL IMPACT OF RECOMMENDATION 8a), AND INSTITUTE WAITING LISTS ON AN AS-NEEDED BASIS.

The Relative Priority of Need for Subsidy

Given that waiting lists may result from institution of the above policies, the DCAC recommends that:

9. THE SOCIAL SERVICES DEPARTMENT DEVELOP CRITERIA FOR PRIORIZING WAITING LISTS, SUCH CRITERIA TO INCLUDE:

   i) REASON FOR SEEKING DAY CARE (E.G. THE NEED FOR THERAPEUTIC INTERVENTION, SINGLE PARENT WORKING, ET CETERA)

   ii) LEVEL OF FINANCIAL NEED

   AND THAT THESE CRITERIA BE PRESENTED TO THE SOCIAL SERVICES COMMITTEE FOR THEIR CONSIDERATION.

Need for Regional Advocacy

The discussion on eligibility has once again highlighted the significance of underfunding in shaping the issues which confront the Region with relation to its day care programme. The Day Care Advisory Committee would like, once again, to underscore the importance of the Region taking a strong advocacy role with the senior levels of government with regard to the funding of day care. While changes can be made to the programme within existing financial constraints, significant changes will depend on the willingness of the senior levels of government to fund to a level more clearly commensurate with community needs.

Appendix 1

Form 7

(Blank Sample)

Form 1

Day Nurseries Act

DETERMINATION OF AVAILABLE INCOME

Ministry of Community and Social Services
Ontario

Name of Parent	Telephone number Residence	Business
Address	Social Insurance number Mother	
	Father	

Family Composition - Adults and Children

Name	Age	School or Occupation

Liquid Assets

Item	Amount
Total	

Part I - Monthly Income (Adults)

1. Net Earnings $	
2. Boarder Revenue $	
3. Spouse Revenue $ x 60%	
4. Pension	
5. Unemployment Insurance or Training Allowance	
6. Separation or Alimony Payments	
7. Other (specify)	
8. Monthly Income Items 1 to 7.	

Part II - Monthly Budgetary Needs (Family)

9. Basic needs - See Guidelines	
10. Spouse Basic	
11. Heat	
12. Telephone	
13. Sub-total	
14. Contingencies - 20% of Item 13	
15. Add Items 13 and 14 Sub-total	
16. Rent	
17. Mortgage Payments (Principal and Interest)	
18. Property taxes	
19. Debt payments	
20. Travel and transportation	
21. Drugs	
22. Dental Services	
23. Optical Services	
24. Health Services	
25. Other - as approved	
26. Add Items 16 to 25. Sub-total	
27. Available monthly income less Budgetary Needs (Item 8 less Item 26)	
28. Exemption on Net Earnings (Item 1 $ x %)	
29. Available Monthly Income (Item 27 less Item 28)	

I certify that the above information provided by me is correct

Date	Signature of Parent
Date	Signature of Administrator or Designate (Municipal staff)

Part III - Computation of Available Daily Income

30. Available daily income = total available monthly income (Item 29 above) divided by 21.75 x number of children in family enrolled in day care program

$ _____ ÷ $ _____ / 21.75 x _____

Part IV - Calculation of Monthly Cost to Municipality or Band
(For use of Municipality or Band only)

31. Total monthly cost of day nursery services or private home day care under agreement:

$ _____ per day x _____ (aggregate number of days for all children in family enrolled in day care program

32. Parental contribution = Available daily income (Item 30) x aggregate days of service for all children in the family enrolled in the day care program

Item 30 _____ x days of service

33. Monthly cost to Municipality or Band

Item 31 _____ less Item 32

Completion of this form must be in accordance with the Ministry Guidelines for Determination of Available Income

Consent to Inspect Assets

I, _____, an applicant for services under the *Day Nurseries Act*, and I, _____ (complete only where applicable), _____, spouse of the above applicant consent that:

1. The Administrator or his authorized representative

inspect and have access to any account or safety deposit box held by me alone or jointly, in any bank, trust company or other financial institution or to any assets held by me or on my behalf by any person, or any records relating to any of them.

2. The Administrator or his authorized representative

secure information in respect of any life or accident insurance policy on my late spouse.

_____
(Name of late spouse - complete only where applicable)

Dated at _____, this _____ day of _____, 19____

Witness _____ Signature of Applicant: _____

Address: _____

Dated at _____, this _____ day of _____, 19____

Witness: _____ Signature of Spouse where applicable: _____

Address, if different: _____

O. Reg. 760/83, Form 1